

# GRANITE STATE HOME HEALTH & HOSPICE ASSOCIATION

February 10, 2020

The Honorable Christopher Pappas  
House Veterans' Affairs Committee  
Subcommittee on Oversight and Investigations  
B-234 Longworth House Office Building  
Washington, DC 20515

Congressman Pappas and Members of the Sub-Committee:

Thank you for seeking public input regarding the transition to the Veterans Administrations' new Community Care Program. I am writing on behalf of the Granite State Home Health and Hospice Association, which represents home care, hospice and palliative care providers and the people they serve. Association members range from traditional non-profit visiting nurse agencies (VNAs) to privately-owned small businesses. These members are committed to providing compassionate medical care and personal care services that enable veterans to remain independent in their homes.

Over the last several months, home care agencies have reported many problems related to the provision of care to veterans. In December, the Association conducted a survey of our members regarding VA clients. Sixteen agencies caring for approximately 350 veterans a year responded. These agencies generally serve patients from the Manchester, NH and White River Junction, VT VA Medical Centers. The reported problems vary among referring sites, suggesting a VA third party administrator system that lacks uniform standards and appears to be in disarray to providers on the front line of care. Here are some trends:

## **Backlog of Provider Payments**

- All agencies reported payments in arrears for VA clients. The total payment backlog was over \$550,000. While this may not seem like much to Congress, it can significantly impact cash flow for many small agencies and affects their ability to participate in the VA system.
- One agency reported a backlog of over \$100,000 in payments.
- The backlog was highest for TriWest and relatively even between the VA and Optum.
- Claims are paid randomly. One agency reported that August claims were paid for one client, but June claims were still outstanding.

## **Problems Obtaining Referrals/Prior Authorizations**

- The prior authorization process between the VA and its TPAs appears dysfunctional.
- Agencies receive referrals from the VA, but have difficulty obtaining authorizations from Optum. Agencies provide care yet wait months for authorizations, which delays billing.



- Those agencies that have received authorizations report that documents do not sync with referrals. Some authorizations are for 60-day episode periods, while the VA referrals are for a specific number of visits. It's unclear to agencies what they are required to track.

#### Rate cuts

- On October 1, provider payment rates for VA home care services paid for by Optum were decreased significantly with no advance notice.
- Rates for veterans referred by the White River Junction VT VA Medical Center dropped between 60% and 40% depending on the service.
- Rates for veterans referred by the Manchester, NH VA Medical Center dropped between 41% and 6% depending on the service.
- The rates for homemakers, who assist veterans with cooking, cleaning, laundry and groceries are now at \$4.24 per 15 minutes for Manchester patients and \$4.23 for Vermont patients. These rates will not cover wages, insurance, taxes, supervision and mileage for these employees.
- For some agencies, the rate cuts will reduce their annual reimbursement for VA services by 50%.
- Some agencies plan to leave the VA provider network because of the rate cuts

#### Lack of Responsiveness from the VA and TPAs

- Home health agencies report that communications between the VA, TriWest and Optum and its providers in the Community Care program is appalling.
- Agencies have difficulty reaching anyone who will speak to them, never mind resolve problems. One agency has been attempting to obtain an authorization for a referred client for over two years.
- It is not unusual to spend 4 to 5 hours on hold. Voice mail messages are seldom returned.
- Agencies have heard from some VA case managers that the recent rate cuts will be reversed. Unfortunately, the lack of official communications, either from the VA or Optum, creates an atmosphere of uncertainty.

New Hampshire's home health and hospice agencies are proud to serve our country's veterans. Many hospice programs have implemented the "We Honor Veterans" program for those service men and women approaching end of life. However, the administrative burden and financial losses associated with the Community Care Program will lead to a serious decline in access to care for veterans in New Hampshire. When a home care agency leaves the provider network, it is unlikely that another agency will accept VA clients.

I ask the Committee to urge the VA to work with its TPAs and provider network to resolve prior authorization delays, develop a reasonable fee structure, and restore trust with home health and hospice providers.

Respectfully,



Gina Balkus

Chief Executive Officer